

**NORTH MONROE SUBDIVISION
SEWERAGE DISTRICT
Monroe, Louisiana**

**Financial Statement
And Supplementary Information
Year Ended
December 31, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/11/08

PREPARED BY:

JIMMIE L. SELF, CPA
A Professional Accounting Corporation
2908 Cameron Street, Suite C
MONROE, LOUISIANA 71201
Phone 318/323-4656 • FAX 318/388-0724

NORTH MONROE SUBDIVISION SEWERAGE DISTRICT

Monroe, Louisiana

**Financial Statement
And Supplementary Information
Year Ended
December 31, 2007**

PREPARED BY:

**JIMMIE L. SELF, CPA
A Professional Accounting Corporation
2908 Cameron Street, Suite C
MONROE, LOUISIANA 71201
Phone 318/323-4656 • FAX 318/388-0724**

**NORTH MONROE SUBDIVISION
SEWERAGE DISTRICT
Monroe, LA**

**Financial Statement
And Supplementary Information
Year Ended
December 31, 2007**

TABLE OF CONTENTS

	<u>STATEMENT</u>	<u>PAGE</u>
Accountant's Report On Financial Statements		1
<u>General Purpose Financial Statements</u>		
Balance Sheet – Enterprise Fund	A	3
Statement of Revenues, Expenses, and Changes in Retained Earnings Proprietary Fund – Enterprise Fund	B	4
Cash Flow Statement	C	5
<u>Notes to Financial Statements</u>		
Notes		7 - 12
<u>Supplemental Information Schedules</u>		
	<u>SCHEDULE</u>	
Schedule of Compensation Paid Commissioners	1	14

JIMMIE SELF, CPA
A Professional Accounting Corporation
2908 Cameron Street, Suite C
Monroe, Louisiana 71201
Phone (318) 323-4656 • Fax (318) 388-0724

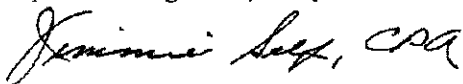
ACCOUNTANT'S REPORT ON FINANCIAL STATEMENTS

North Monroe Subdivision Sewerage District
Mr. Leon Sivils, Secretary-Treasurer
P. O. Box 7237
Monroe, LA 71211

I have compiled the accompanying general purpose financial statements as listed in the foregoing Table of Contents of the North Monroe Subdivision Sewerage District, a component unit of the Ouachita Parish Police Jury, as of and for the year ended December 31, 2007, and the accompanying supplemental information contained in the accompanying schedules, in accordance with "Statements on Standards for Accounting and Review Services" issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The North Monroe Subdivision Sewerage District did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2007. The effects of this departure from generally accepted accounting principles has not been determined.



JIMMIE SELF, CPA
Monroe, Louisiana
May 29, 2008

GENERAL PURPOSE FINANCIAL STATEMENTS

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
 OUACHITA PARISH POLICE JURY
 MONROE, LA
 BALANCE SHEET - ENTERPRISE FUND
 DECEMBER 31, 2007**

STATEMENT A

	<u>2007</u>
ASSETS	
Current assets:	
Cash	\$ 33,987
Restricted Cash	16,204
Accounts Receivable	14,853
Total Current Assets	<u>65,044</u>
Capital Assets:	
Property, Plant and Equipment	1,030,412
Less: Accumulated Depreciation	(285,286)
Net Capital Assets	<u>745,126</u>
TOTAL ASSETS	<u><u>\$ 810,170</u></u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Current Liabilities Payable from Current Assets:	
Accrued Interest Payable	\$ 8,285
Bonds Payable - Current	12,000
Total Current Liabilities Payable from Current Assets	<u>20,285</u>
Long Term Liabilities:	
Revenue Bonds Payable	452,000
Total Long Term Liabilities Payable from Restricted Assets	<u>452,000</u>
Total Liabilities	<u>472,285</u>
Fund Equity:	
Retained Earnings - Unreserved	319,880
Retained Earnings - Reserved for Bond Payment	17,548
Retained Earnings - Total Fund Equity	<u>337,885</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 810,170</u></u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
 OUACHITA PARISH POLICE JURY
 MONROE, LA
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 PROPRIETARY FUND - ENTERPRISE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007**

STATEMENT B

	<u>2007</u>
OPERATING REVENUES:	
SERVICE INCOME	\$ 101,720
TOTAL OPERATING REVENUES:	<u>101,720</u>
OPERATING EXPENSES:	
BILLING EXPENSE	9,824
CHEMICALS	699
DEPRECIATION	21,363
INSURANCE	3,001
LABORATORY EXPENSE	2,017
LEGAL & PROFESSIONAL	1,488
OFFICE EXPENSE	1,675
REPAIRS/MAINTENANCE	13,335
SUPERVISORY ACCOUNTING	24,664
UTILITIES	2,054
BOND REG FEES	950
MISCELLANEOUS	457
TOTAL OPERATING EXPENSES:	<u>81,527</u>
OPERATING INCOME (LOSS):	<u>20,193</u>
NONOPERATING REVENUES (EXPENSES):	
INTEREST EXPENSE	(24,551)
TOTAL NON-OPERATING REVENUES (EXPENSES):	<u>(24,551)</u>
NET INCOME (LOSS):	(4,358)
RETAINED EARNINGS AT BEGINNING OF YEAR:	342,243
RETAINED EARNINGS AT END OF YEAR:	<u>\$ 337,885</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
OUACHITA PARISH POLICE JURY
MONROE, LA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

STATEMENT C

CASH FLOWS FROM OPERATING ACTIVITIES:

NET INCOME	(4,358)	
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	21,363	
INCREASE (DECREASE IN ACCOUNTS RECEIVABLE)	(3,819)	
INCREASE (DECREASE IN ACCOUNTS PAYABLE)	1,000	
NET CASH PROVIDED BY OPERATING ACTIVITIES		14,186

CASH FLOWS FROM FINANCING ACTIVITIES

PAYMENT OF BONDS	(11,000)	
NET TOTAL CASH USED BY FINANCING ACTIVITIES		(11,000)

NET INCREASE IN CASH		3,186
CASH AT BEGINNING OF YEAR		47,005
CASH AND CASH EQUIVALENTS AT END OF YEAR		\$ 50,191

SUPPLEMENTAL DISCLOSURES

INTEREST PAID	\$ 24,551
DEPRECIATION	21,363
NET CASH INCLUDES	29,456
CHECKING ACCOUNT	33,987
RESTRICTED FOR BOND FUND	16,204
	\$ 50,191

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

**NOTES
TO THE
FINANCIAL STATEMENTS**

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
OF OUACHITA PARISH**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2007**

INTRODUCTION

The North Monroe Subdivision Sewerage District #1 was organized under provisions of Louisiana Revised Statute (LSA-RS) by the Ouachita Parish Police Jury in 1968 to provide a sewerage system for approximately 800 people. The district is operated by a board of four commissioners, appointed by the Ouachita Parish Police Jury.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying component unit financial statements of the North Monroe Subdivision Sewerage District of Ouachita Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Ouachita Parish Police Jury is the financial reporting entity for Ouachita Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Ouachita Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes the following:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
OF OUACHITA PARISH**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2007**

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury has the authority to perform the above three steps, the district was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The North Monroe Subdivision Sewerage District #1 of Ouachita Parish is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. The Enterprise Fund uses the following practices in recording certain revenues and expenses:

Revenues

Revenues consist of income from users of the sewer line in the district. Billing is done monthly, and the payments are collected and deposited. Interest income is a result of bank accounts bearing interest.

Expenses

Expenses are reported when the liability occurs. Major expenses are:

Supervisory	\$ 24,664
Legal and Professional	1,488

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
OF OUACHITA PARISH**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2007**

Chemicals	699
Utilities	<u>2,054</u>
TOTAL MAJOR EXPENSES	<u>\$ 28,905</u>

E. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and other money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The district has no investments.

G. ENCUMBRANCES

The district does not use encumbrance accounting.

H. RESTRICTED ASSETS

Certain proceeds of the enterprise fund resources are set aside for specific payments and are classified on the balance sheet as restricted assets because their use is limited by applicable requirements.

Briefly, the funds and provisions relating thereto are as follows:

1. Bond Redemption Fund: Restriction for annual payment of principal and interest.

I. FIXED ASSETS

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
OF OUACHITA PARISH**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2007**

Fixed assets of the district are valued at historical cost and are included on the balance sheet of the fund, net of accumulated depreciation. Construction period interest is immaterial and is not capitalized. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of periods from 5 to 40 years.

J. COMPENSATED ABSENCES

The district does not have a formal leave policy.

K. LONG - TERM LIABILITIES

Long-term liabilities are recognized within the enterprise fund.

L. FUND EQUITY

Contributed Capital

Grants, entitlements, or shared revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized.

Reserves

Reserves represent those portions of fund equity legally segregated for a specific future use.

NOTE 2. CASH AND CASH EQUIVALENTS

At December 31, 2007, the district has cash and cash equivalents (book balances) totaling \$ 50,191 as follows:

Demand Deposits	\$ 50,191
TOTAL	<u>\$ 50,191</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2007, the district has \$50,191 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance.

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
OF OUACHITA PARISH**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2007**

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3. RECEIVABLES

The following is a summary of receivables at December 31, 2007:

<u>Class of Receivable</u>	<u>Current Assets</u>	<u>Total</u>
Accounts Receivable	14,857	14,857

Management has determined that the amounts of the receivables that are uncollectible are immaterial; therefore, no provision for collectible receivables has been included in these financial statements.

NOTE 4. FIXED ASSETS

A summary of fixed assets at December 31, 2007, follows:

FIXED ASSETS	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Property, Plant & Equipment – 12/31/2006	1,030,412	263,927	766,486
Additions	0	21,363	-21,363
TOTAL – 12/31/2007	<u>1,030,412</u>	<u>285,286</u>	<u>745,126</u>

NOTE 5. PENSION PLAN

The district has no pension plan and no salaries.

NOTE 6. LONG-TERM LIABILITIES

The following is a summary of long-term transactions during the year:

BONDS PAYABLE	
Long-term liability payable at 12/31/2006	\$463,000
Less Principal Paid	<u>12,000</u>
Long-term liability payable at 12/31/2007	<u>\$452,000</u>

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
OF OUACHITA PARISH**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2007**

“Sewer Revenue Bonds, Series 1999 of the North Monroe Sewer District #1 of the Parish of Ouachita, State of Louisiana,” \$522,000, dated March 1, 1999, interest rate 5.125%, payable in annual installments of various amounts, including interest, due the first day of March.

The annual requirements to amortize all long-term debt outstanding as of December 31, 1999, are as follows: Note - No principal payment was until 2001.

<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2008	12,000	5.125%
2009	12,000	5.125%
2010	13,000	5.125%
2011	14,000	5.125%
2012	14,000	5.125%
2013-2018	70,000	5.125%
2019-2029	200,758	5.125%

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS

None.

NOTE 8. RELATED PARTY TRANSACTIONS

None.

NOTE 9. LITIGATION AND CLAIMS

None.

NOTE 10. SUBSEQUENT EVENTS

None.

NOTE 11. OTHER SUPPORT

None.

**SUPPLEMENTAL
INFORMATION SCHEDULES**

NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1
Monroe, Louisiana

Supplemental Information Schedule
As of and for the year then ended December 31, 2007

COMPENSATION PAID TO BOARD MEMBERS

The following schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Scott Holder – Chairman 205 Bastrop Dr Monroe, LA 71203	\$ 0.00
Leon Sivils – Secretary-Treasurer 210 Pickett Lane Monroe, LA 71203	\$ 0.00
Michael Green - Commissioner 203 Holly Ridge Dr. Monroe, LA 71203	\$ 0.00
Herbert Manley - Commissioner 227 Bastrop Drive Monroe, LA 71203	\$ 0.00
Anita H. Jones - Commissioner 301 Ray Drive Monroe, LA 71203	\$ 0.00